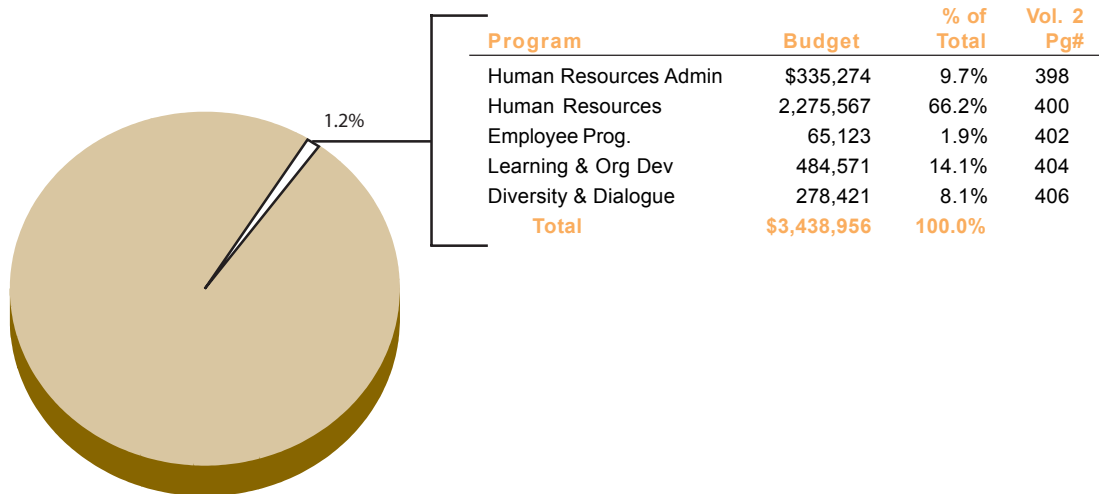


The pie chart presented on this page provides two overviews of the Human Resources Department's adopted FY 2004/05 program budget operating expenditures (i.e., excludes grants & trusts, debt service and transfers out):

1. The Human Resources Department's adopted FY 2004/05 program operating budget as a percentage of the citywide total adopted program operating budget, and
2. All of the Human Resources Department's operating programs and their applicable expenditures and percent of the department's total program operating budget.

The Human Resources Department Represents 1.2% of the City's Total Program Operating Budget

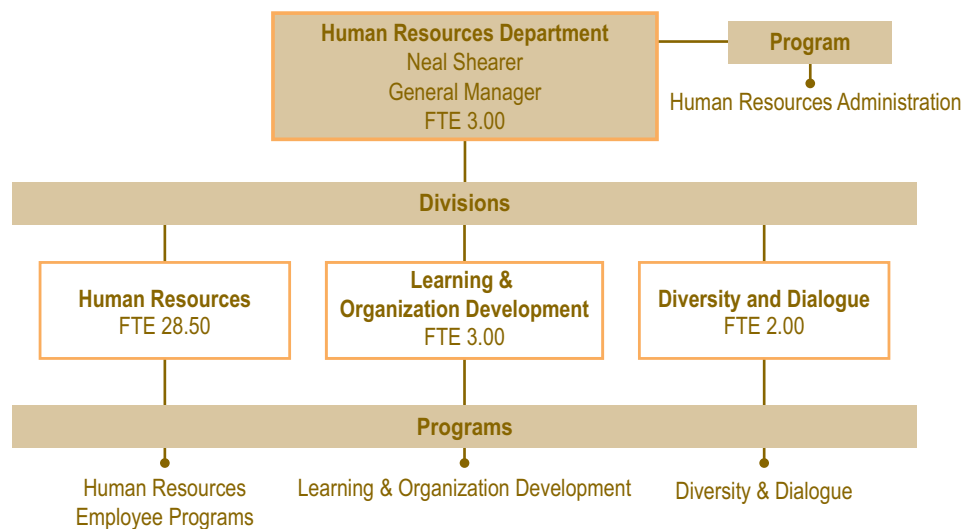


Human Resources Department

Mission

Hire, develop and retain a competent, committed and diverse workforce to provide high quality and cost-effective services to Scottsdale citizens.

Cultivate an environment within the organization and community where differences are valued, respected and embraced.



Departmental Staffing

	Actual 2002/03	Adopted 2003/04	Estimate 2003/04	Adopted 2004/05
Full-time Equivalent (FTE)	35.50	34.50	34.50	36.50
% of City's FTE's				1.7%

Departmental Expenditures by Type

	Actual 2002/03	Adopted 2003/04	Estimate 2003/04	Adopted 2004/05
Personal Services	2,460,499	2,529,042	2,529,042	2,747,043
Contractual Services	706,129	528,675	571,313	527,032
Commodities	191,431	123,818	124,434	164,881
Total Program Budget	3,358,059	3,181,535	3,224,789	3,438,956
Grant/Trust Expenditures	\$6,000	\$10,000	\$10,000	\$15,000
% of City's Total Program Operating Budget				1.2%

HUMAN RESOURCES ADMINISTRATION

Human Resources Department

Program Description

The Human Resources Administration program provides guidance and support to all Human Resource (HR) programs, with special emphasis on communicating City Council and organizational goals, planning and managing resources to ensure the accomplishment of such goals, coordinating key projects and management information reports and addressing critical human resource issues and concerns. Per City of Scottsdale code (Sec. 14-1), a system of Human Resource Administration is to be established that meets the needs of the people of the City.

Trends

Evolving and complex employment laws and civil litigation threats, new unfunded mandates and benefit regulations, rising retirement costs and uncertain General Fund revenues continue to stretch staff's capacity to address ongoing HR service delivery needs and workplace compliance requirements.

Program Broad Goals

Develop and manage a departmental budget and work plans to address City Council and organizational goals, and other critical operational needs to ensure the delivery of quality and cost effective HR services and policy compliance.

Keep the City Manager and leadership informed on staffing and other critical human resource issues and take appropriate action, as needed.

Strengthen organizational efficiency and effectiveness consistent with City Council and organizational goals.

Program 2004/05 Objectives

Continue to analyze vacant positions, contract workers, overtime and other staffing issues to address service delivery needs within fiscal constraints.

Manage executive recruitments on behalf of the City Manager or City Council. Provide administrative support to four citizen boards/ commission [Personnel Board, Public Safety Personnel Retirement Board, Judicial Appointments Advisory Board and the Human Relations Commission].

Plan and implement the transition to a municipal Fire Department by July 2005, with special emphasis on staffing and other key personnel issues.

Program Provided in Partnership With

City Council, City Manager, Financial Services, Legal, City departments, City employees

Program Customers

City Council, City Manager, City departments, City employees

City Council's Broad Goal(s)

Fiscal and Resource Management, Open and Responsive Government

Basic Equipment

Personal computers, Microsoft Office Suite

Special Equipment

None

Resources by Type

	Actual 2002/03	Adopted 2003/04	Estimate 2003/04	Adopted 2004/05
General Fund Support	\$459,583	\$318,946	\$318,946	\$335,274
Total Program Revenues	\$459,583	\$318,946	\$318,946	\$335,274

Expenditures by Type

	Actual 2002/03	Adopted 2003/04	Estimate 2003/04	Adopted 2004/05
Personal Services	\$293,871	\$313,630	\$313,630	\$326,672
Contractual Services	165,711	5,316	5,316	8,302
Commodities	-	-	-	300
Total Program Budget	\$459,583	\$318,946	\$318,946	\$335,274

HUMAN RESOURCES ADMINISTRATION

Human Resources Department

Performance Measures

Program/Service Outputs: (goods, services, units produced)

	Actual FY 2001/02	Actual FY 2002/03	Projected FY 2003/04	Projected FY 2004/05
# of City FTEs	2,140.40	2,152.54	2,112.49	2,191.03
# of annual position review sessions/overtime analysis reports	44/4	40/4	36/4	36/4

Program/Service Outcomes: (based on program objectives)

	Actual FY 2001/02	Actual FY 2002/03	Projected FY 2003/04	Projected FY 2004/05
HR operating cost as a percentage of City payroll	3.1%	2.6%	2.6%	2.7%

Program Staffing

1 Full-time	General Manager	1.00
1 Full-time	Dept Advisor	1.00
1 Full-time	Sr. HR Analyst	1.00
Total Program FTE		3.00

Prior Year Highlights

Human Resources Operating Budget - continuous monitoring and review of operational needs will result in HR's actual expenditures being under the FY 2003/04 budget, which will contribute to improving the City's financial condition.

Citywide Personal Services Expenditures - actions taken as a result of the careful review of vacant positions, a continuous focus on overtime use, contract worker analysis and the development of various personal services cost containment strategies have helped reduce current year expenditures and will contribute to future efficiencies in personal services Citywide.

Compliance Management - HR management addressed numerous compliance issues and took necessary actions to meet the unfunded federal government mandate of the Health Insurance Portability and Accountability Act (HIPAA).

HUMAN RESOURCES

Human Resources Department

Program Description

The Human Resources program coordinates the hiring of mission critical staff and provides human resources support to management and employees in all departments. This program also implements total compensation and employment policies and practices to promote a healthy and productive work environment.

Trends

Slight increase in the number of recruitments and new hires. As a result of new health plans, health care costs will be stabilized through FY 2004/05. City contributions to the retirement systems continue to increase. We continue to experience several retirements, including a number of management level employees.

Program Broad Goals

Strategically strengthen the quality and diversity of new hires through the application of progressive human resources practices and integrity-based processes.

Provide competitive total compensation for employees, including quality and cost-effective health insurance.

Ensure compliance with federal, state and City of Scottsdale employment laws and policies and manage employee relations' issues to promote a healthy and productive work environment.

Program 2004/05 Objectives

Fill mission critical positions with well-qualified individuals and facilitate the elimination or reallocation of lower priority vacant positions.

Implement a comprehensive management oversight system for the new health plans that became effective in 2004 and plan the FY 2005/06 compensation and benefits package.

Manage employee relations' issues to improve work relationships, the work environment and overall organizational effectiveness.

Program Provided in Partnership With

City Manager, Managers, Legal, Payroll, Risk Management, City employees

Program Customers

City Council, City Manager, City departments, City employees, Personnel Board, Public Safety Retirement Board, Judicial Appointments Advisory Board, Citizens/Job Applicants

City Council's Broad Goal(s)

Fiscal and Resource Management, Open and Responsive Government

Basic Equipment

Personal computers, 10-key calculators, Microsoft Office Suite

Special Equipment

None

Resources by Type

	Actual 2002/03	Adopted 2003/04	Estimate 2003/04	Adopted 2004/05
General Fund Support	\$2,046,468	\$2,078,532	\$2,113,270	\$2,275,567
Total Program Revenues	\$2,046,468	\$2,078,532	\$2,113,270	\$2,275,567

Expenditures by Type

	Actual 2002/03	Adopted 2003/04	Estimate 2003/04	Adopted 2004/05
Personal Services	\$1,692,249	\$1,748,303	\$1,748,303	\$1,938,784
Contractual Services	332,833	306,571	341,309	315,510
Commodities	21,385	23,658	23,658	21,273
Total Program Budget	\$2,046,468	\$2,078,532	\$2,113,270	\$2,275,567

HUMAN RESOURCES

Human Resources Department

Performance Measures

Program/Service Outputs: (goods, services, units produced)

	Actual FY 2001/02	Actual FY 2002/03	Projected FY 2003/04	Projected FY 2004/05
Average City health and dental cost per employee	\$4,765	\$5,554	\$6,162	\$6,046

Program/Service Outcomes: (based on program objectives)

	Actual FY 2001/02	Actual FY 2002/03	Projected FY 2003/04	Projected FY 2004/05
% of minority applicants seeking employment opportunities with the City of Scottsdale	21.8%	22.1%	22.9%	23.0%
Citywide turnover	6.0%	6.7%	8.0%	8.0%

Program Staffing

1 Full-time	Administrative Secretary	1.00
1 Full-time	HR Director	1.00
1 Full-time	HR Manager	1.00
1 Full-time	HR Mgr. Admin	1.00
3 Full-time	HR Rep.	3.00
1 Part-time	HR Rep.	0.50
1 Full-time	Sr. Benefits Analyst	1.00
2 Part-time	Sr. HR Analyst	1.50
9 Full-time	Sr. HR Analyst	9.00
6 Full-time	Sr. HR Rep.	6.00
1 Part-time	Sr. HR Rep.	0.50
2 Full-time	Support Spec.	2.00
1 Full-time	Tech Coord.	1.00

Total Program FTE 28.50

Prior Year Highlights

Strengthening Leadership - Successfully completed and/or coordinated approximately ten executive searches to staff key City leadership positions with well-qualified individuals.

Administrative Regulations - Completed a comprehensive update of HR-based policies and practices.

Health Insurance - Implemented a newly, redesigned health insurance package resulting in quality and affordable health benefits.

Employee Relations - Facilitated approximately 600 employee issues consistent with City values and policies.

EMPLOYEE PROGRAMS

Human Resources Department

Program Description

Employee Programs in previous years offered a variety of activities and services to assist employees in addressing work/life issues and wellness, and in recognizing employees for significant accomplishments. In FY 2003/04, this program was substantially redefined to focus on employee recognition, basic wellness services and a limited City Store operation to reduce costs and redeploy staff to higher priorities. The FY 2004/05 program maintains the same focus as last fiscal year.

Trends

City budgetary and workload pressures require employees to stretch resources and maximize productivity, which makes it even more important to recognize employees in formal and informal ways.

Program Broad Goals

Recognize and reward employee contributions to the City Council goals and employee values in cost effective ways.

Continue to offer City logo merchandise through the City Store at a zero net cost to promote pride in the City of Scottsdale.

Program 2004/05 Objectives

Evaluate employee recognition programs and develop ways to continue recognizing employees in a meaningful way within fiscal constraints.

Promote the City of Scottsdale "brand identity" and provide an option for non-monetary employee recognition through the City Store retail outlet.

Program Provided in Partnership With

City Manager, Purchasing, City Employees

Program Customers

City Manager, City employees, and City volunteers

City Council's Broad Goal(s)

Fiscal and Resource Management, Open and Responsive Government

Basic Equipment

Personal computers, Microsoft Office Suite, PageMaker, calculators

Special Equipment

None

Resources by Type

	Actual 2002/03	Adopted 2003/04	Estimate 2003/04	Adopted 2004/05
General Fund Support	\$133,845	\$44,275	\$44,275	\$56,523
General Fund Program Fee/Charges	8,371	8,700	9,316	8,600
Total Program Revenues	\$142,216	\$52,975	\$53,591	\$65,123

Expenditures by Type

	Actual 2002/03	Adopted 2003/04	Estimate 2003/04	Adopted 2004/05
Contractual Services	\$36,494	\$25,875	\$25,875	\$25,974
Commodities	105,722	27,100	27,716	39,149
Total Program Budget	\$142,216	\$52,975	\$53,591	\$65,123

EMPLOYEE PROGRAMS

Human Resources Department

Performance Measures

Program/Service Outputs: (goods, services, units produced)

	Actual FY 2001/02	Actual FY 2002/03	Projected FY 2003/04	Projected FY 2004/05
Annual Employee Program expenditures	\$200,258	\$133,569	\$41,000	\$56,523

Program/Service Outcomes: (based on program objectives)

	Actual FY 2001/02	Actual FY 2002/03	Projected FY 2003/04	Projected FY 2004/05
Employee programs cost per employee	\$94	\$62	\$19	\$27

Program Staffing

No specific staff positions or FTE's are assigned to this program.

Prior Year Highlights

Completed second phase of performance management process implementation evidenced by each staff member having a current performance plan defining performance expectations for the year ahead.

Facilitated 17 performance improvement interventions within seven departments and 18 divisions, resulting in improved communications, efficiencies, productivity and customer service levels.

Delivered management development and general population course offerings for over 1,500 participants, resulting in greater awareness and management of organizational policies and compliance, enhanced communications and improved consistency in managing performance.

LEARNING & ORGANIZATION DEVELOPMENT

Human Resources Department

Program Description

The Learning and Organization Development program exists to improve individual, team and organizational performance. The program assumes lead responsibility in the implementation and continuous improvement of the performance management process; management and delivery of non-technical learning curriculum for City staff; and delivering performance improvement interventions.

Trends

As the organization needs to do more with less, there is an increased need for retooling, retraining, process improvement and greater performance management. Attendance at City-provided learning events is increasing. Utilization of performance improvement consulting is increasing.

Program Broad Goals

Performance Management - Deliver systematic process and tools to enhance the alignment of departmental, divisional and individual performance objectives with Council and organizational goals; drive greater consistency in managing performance across the organization; and strengthen the linkage between performance and pay.

Performance Improvement - Facilitate performance improvement consulting designed to improve individual, team and organizational effectiveness and service delivery.

Organization Learning - Develop and deliver learning & management development opportunities to address City staff learning needs to improve effectiveness and efficiency in performing work necessary to deliver City services and achieve City Council goals.

Program 2004/05 Objectives

Performance Management - Complete phase three of the performance management process implementation resulting in improvements to the process/forms (introducing a web application); and increased compliance by June 2005.

Perform 10 departmental, divisional or team performance improvement interventions to increase effectiveness and/or efficiencies - and meet or exceed customer expectations, by June 2005.

Deliver learning courses that enhance City staff knowledge and/or skills, as demonstrated by the application of the skills and/or knowledge gained from the learning events on the job to enhance performance. Introduce e-learning options for selected classroom courses.

Program Provided in Partnership With

City Manager, City Departments, City Employees

Program Customers

City Manager, City departments, City employees

City Council's Broad Goal(s)

Fiscal and Resource Management, Open and Responsive Government

Basic Equipment

Personal computers, Microsoft Office Suite

Special Equipment

Learning Management software, Audio Visual equipment, Course Materials

Resources by Type

	Actual 2002/03	Adopted 2003/04	Estimate 2003/04	Adopted 2004/05
General Fund Support	\$448,431	\$468,462	\$474,362	\$484,571
Total Program Revenues	\$448,431	\$468,462	\$474,362	\$484,571

Expenditures by Type

	Actual 2002/03	Adopted 2003/04	Estimate 2003/04	Adopted 2004/05
Personal Services	\$279,652	\$270,897	\$270,897	\$276,584
Contractual Services	110,807	129,205	135,105	111,728
Commodities	57,972	68,360	68,360	96,259
Total Program Budget	\$448,431	\$468,462	\$474,362	\$484,571

LEARNING & ORGANIZATION DEVELOPMENT

Human Resources Department

Performance Measures

Program/Service Outputs: (goods, services, units produced)

	Actual FY 2001/02	Actual FY 2002/03	Projected FY 2003/04	Projected FY 2004/05
Attendance at internal learning events is increasing as more value-added course offerings are available to City staff and management. Cost of training is reduced with increased # of participants	806 participants - (at an avg cost of \$295 per participant)	1,286 participants - (at an avg cost of \$87 per participant)	2,100 participants - (at an avg cost of \$86 per participant)	2,250 participants - (at an avg cost of \$85 per participant)
# of performance interventions and training offering continues to increase as the organization faces more change	6 projects	11 projects 22 courses 96 classes	17 projects 26 courses 105 classes	10 projects 30 courses 110 classes

Program/Service Outcomes: (based on program objectives)

	Actual FY 2001/02	Actual FY 2002/03	Projected FY 2003/04	Projected FY 2004/05
% of participants who rate improved knowledge, skills and/or competence as a result of learning events	n/a	92%	92%	92%
L&OD cost as a percentage of City payroll	n/a	0.4%	0.3%	0.3%

Program Staffing

2 Full-time	Learning & OD Consultant	2.00
1 Full-time	Learning & OD Director	1.00
Total Program FTE		3.00

Prior Year Highlights

Public Forums on Diversity Awareness - The number of attendees at public forums continue to increase. Such educational forums include our Cross Cultural Communications Series, Scottsdale Hispanic Heritage Community Celebration, Regional Diversity Alliance Conference and Youth Town Hall. Scottsdale was recognized as the 2003 Workforce Diversity Best Practices Award Winner.

Human Relations Commission (HRC) Public Dialogues - The HRC hosted its "Unlearning Racism" workshop designed to create a forum where citizens and Scottsdale visitors are educated on the subject of racism. Attendees participate in a facilitated interactive dialogue based on lifetime experiences, both socially and professionally.

EEOC Complaints - Concerns addressed have remained constant while favorable rulings by the EEOC for the City have been maintained at a 100% rating.

DIVERSITY & DIALOGUE

Human Resources Department

Program Description

The Diversity and Dialogue program cultivates an environment within the organization and community where differences are valued, respected and embraced through education, community outreach and deliberative dialogue.

Trends

According to the 2000 U.S. Census Report, Scottsdale's population has become more ethnically diverse. This same trend is evidenced by the growth in the number of minority employees at the City of Scottsdale.

Program Broad Goals

Serve as a central point of contact for diversity issues, with employees and citizens.

Serve as a catalyst for implementing diversity initiatives both in the organization and community.

Encourage citizens and employees to respect differences and seek understanding through dialogue and education.

Program 2004/05 Objectives

SHRC Public Dialogues - members of the Human Relations Commissions and staff have planned the implementation of two events for FY 2004/05. Events planned include: National League of Cities Race Equality Week - September '04; and United Nations Elimination of Racial Discrimination month - March '05.

Community Hispanic Heritage Celebration - with the success of last year's inaugural community celebration in recognition of National Hispanic Heritage month, the second annual celebration is planned for October 2004. The event will be a collaborative effort involving the Diversity Advisory Committee and the Human Relations Commission.

Diversity Awareness Training - Provide bi-monthly (Beyond Race & Gender) and quarterly (Color of Culture) training for employees during FY 2004/05, with the goal of 220 employees to complete training.

Program Provided in Partnership With

City Council, City Manager, City Employees, Scottsdale citizens, the Diversity Advisory Committee, the Human Relations Commission, several community groups that promote and celebrate diversity

Program Customers

City Council, City Manager, City departments, City employees, Diversity Advisory Committee, the Human Relations Commission, Scottsdale citizens and community visitors

City Council's Broad Goal(s)

Open and Responsive Government

Basic Equipment

Personal computers, Microsoft Office Suite

Special Equipment

None

Resources by Type

	Actual 2002/03	Adopted 2003/04	Estimate 2003/04	Adopted 2004/05
General Fund Support	\$261,638	\$262,620	\$264,620	\$271,221
Grant/Trust Receipts	6,000	10,000	10,000	15,000
Special Revenue Fund Fees/Charges/Donations	-	-	-	\$7,200
Total Program Revenues	\$267,638	\$272,620	\$274,620	\$293,421

Expenditures by Type

	Actual 2002/03	Adopted 2003/04	Estimate 2003/04	Adopted 2004/05
Personal Services	\$194,727	\$196,212	\$196,212	\$205,003
Contractual Services	60,560	61,708	63,708	65,518
Commodities	6,352	4,700	4,700	7,900
SubTotal	\$261,638	\$262,620	\$264,620	\$278,421
Grant/Trust Expenditures	6,000	10,000	10,000	15,000
Total Program Budget	\$267,638	\$272,620	\$274,620	\$293,421

Performance Measures

Program/Service Outputs: (goods, services, units produced)

	Actual FY 2001/02	Actual FY 2002/03	Projected FY 2003/04	Projected FY 2004/05
# of participants attending public forums designed to educate citizens and employees on diversity topics, i.e. Cross Cultural Communications Series, Public Dialogues, MLK Celebrations, Diversity Summit, El Puente Conference, Youth Town Hall and Hispanic Heritage Community Celebration	1,450	1,525	3,425	4,000

Program/Service Outcomes: (based on program objectives)

	Actual FY 2001/02	Actual FY 2002/03	Projected FY 2003/04	Projected FY 2004/05
% of favorable findings by the Equal Opportunity Employment Commission (EEOC) in response to formal complaints filed by employees	100%	100%	100%	100%
There are approximately 600 employee relations cases managed by Human Resources each year. Over half of these cases include elements of diversity, "differences", or respect in the workplace. Through internal training workshops and public educational forums, it is projected that this percentage will decrease by 5% each year.	n/a	60%	55%	50%

Program Staffing

1 Full-time	Diversity & Dialogue Director	1.00
1 Full-time	Diversity Consultant	1.00
Total Program FTE		2.00

Prior Year Highlights

Educational and Wellness Programs - Involved 1,575 participants in education or wellness programs to assist employees in their work/life needs.

Recognized 265 employees for their contributions to the City through their years of service.

Annual Awards program was conducted recognizing 54 employees for role modeling the City's values, volunteerism and excellence in service delivery.

